

ASSOCIATED PRESS

Approved For Release 2006/02/07 : CIA-RDP91-00901R000400190014-2

7 MAY 1981

NOB3

DR

CASEY

HOT SPRINGS, VA. (AP) -- CIA DIRECTOR WILLIAM CASEY SAID SATURDAY HE BELIEVES THE ECONOMY IN THE SOVIET UNION IS "SHOWING INCREASING WEAKNESS" AND THAT THERE IS "INCREASING INTERNAL DISCONTENT" IN THAT COUNTRY.

CASEY, TALKING TO REPORTERS AFTER SPEAKING AT THE SPRING MEETING OF THE BUSINESS COUNCIL, SAID HE ALSO THOUGHT SOME SOVIET ALLIANCES "ARE FRAYING A LITTLE BIT AT THE FRINGES." HE DECLINED TO SPECIFY WHICH ALLIANCES.

"THAT'S SOMETHING (THE SOVIET SITUATION) YOU'VE GOT TO JUDGE ON A DAY-TO-DAY, WEEK-TO-WEEK BASIS," THE INTELLIGENCE CHIEF SAID.

CASEY DESCRIBED THE WORLD SITUATION "AS INCREASINGLY DANGEROUS FROM A MILITARY STANDPOINT BY VIRTUE OF THE SOVIET MILITARY BUILDUP."

HE SAID THE SOVIET ECONOMY HAD DIFFICULTY "CARRYING THE BURDEN OF INHERENT INEFFICIENCIES, BURDEN OF HEAVY MILITARY BUILDUP AND THE BURDEN OF SUPPORTING PROXIES, CUBA AND VIETNAM."

"I BELIEVE ... THE (SOVIET) ECONOMY IS SHOWING INCREASING WEAKNESS. I THINK THERE IS INCREASING INTERNAL DISCONTENT," HE SAID.

"THE SOVIETS' INVOLVEMENT IN DIFFERENT AREAS OF THE WORLD IN A SHORT PERIOD OF TIME AND THEIR MILITARY BUILDUP" HAS GOT TO CREATE STRAINS AND TROUBLE," HE ADDED.

AP-WX-05-09-81 1602EDT